

1 AN ACT concerning civil law.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Code of Civil Procedure is amended by
5 changing Sections 15-1701, 15-1703, and 15-1704 and by adding
6 Sections 15-1202.5 and 15-1508.5 as follows:

7 (735 ILCS 5/15-1202.5 new)

8 Sec. 15-1202.5. Dwelling Unit. "Dwelling unit" means a room
9 or suite of rooms providing complete, independent living
10 facilities for at least one person, including permanent
11 provisions for sanitation, cooking, eating, sleeping, and
12 other activities routinely associated with daily life.

13 (735 ILCS 5/15-1508.5 new)

14 Sec. 15-1508.5. Notice by holder or purchaser to occupants
15 of mortgaged real estate.

16 (a) The holder of the certificate of sale or deed issued
17 pursuant to that certificate or, if no certificate or deed was
18 issued, the purchaser, shall:

19 (1) following the judicial sale under Section 15-1507,
20 but not later than 14 days after the confirmation of sale
21 under Section 15-1508, make a good faith effort to
22 ascertain the identities and addresses of all occupants of

1 dwelling units of the mortgaged real estate; and

2 (2) following the order confirming sale under Section
3 15-1508, but not later than 21 days after the order
4 confirming sale, notify all known occupants of dwelling
5 units of the mortgaged real estate that he or she has
6 acquired the mortgaged real estate, including any
7 occupants identified as a result of the good faith effort
8 required under this subsection. The holder or purchaser is
9 not required to provide the notice required by this Section
10 to a mortgagor or party against whom an order of possession
11 has been entered authorizing the removal of the mortgagor
12 or party pursuant to Section 15-1508(g).

13 (b) The notice required under subsection (a) (2) shall be in
14 writing and shall:

15 (1) identify the occupant being served by name;

16 (2) inform the occupant that the mortgaged real estate
17 is the subject of a foreclosure action and that control of
18 the mortgaged real estate has changed;

19 (3) provide the name, address, and telephone number of
20 the individual or entity whom occupants may contact with
21 concerns about the mortgaged real estate or to request
22 repairs of that property;

23 (4) include the following language, or language that is
24 substantially similar: "This is NOT a notice to vacate the
25 premises. You will receive additional notice if your lease
26 or rental agreement is being terminated. You may wish to

1 contact a lawyer or your local legal aid or housing
2 counseling agency to discuss any rights that you may
3 have."; and

4 (5) attach a copy of the order confirming sale or other
5 court order that indicates the holder or purchaser has
6 acquired the mortgaged real estate.

7 (c) The written notice required by subsection (a) (2) shall
8 be served: by delivering a copy to the known occupant, or by
9 leaving the same with some person of the age of 13 years or
10 older, who is residing on or in possession of the premises; or
11 by sending a copy of the notice to the known occupant by
12 first-class mail, addressed to the occupant by name.

13 (d) In the event that the holder or purchaser ascertains
14 the identity and address of an occupant of a dwelling unit of
15 the mortgaged real estate more than 14 days after the
16 confirmation of sale under Section 15-1508, the holder or
17 purchaser shall provide the notice required by subsection
18 (a) (2) within 7 days of ascertaining the identity and address
19 of the occupant.

20 (e) (i) A holder or purchaser who fails to comply with
21 subsections (a), (b), (c), and (d) may not collect any rent due
22 and owing from a known occupant, or terminate a known
23 occupant's tenancy for non-payment of such rent, until the
24 holder or purchaser has served the notice described in
25 subsection (a) (2) of this Section 15-1508.5 upon the occupant.
26 The provisions of this subsection shall be the exclusive remedy

1 for the failure of a holder or purchaser to provide notice
2 under this Section.

3 (ii) An occupant who previously paid rent for the current
4 rental period to the mortgagor, or other entity with the
5 authority to operate, manage, and conserve the mortgaged real
6 estate at the time of payment, shall not be held liable for
7 that rent by the holder or purchaser, and the occupant's
8 tenancy shall not be terminated for non-payment of rent for
9 that rental period.

10 (f) Following the confirmation of sale, a holder or
11 purchaser may request, in writing, a copy of the lease or
12 rental agreement of an occupant who has been served the notice
13 prescribed in subsection (a) (2) of this Section, or the notice
14 prescribed in subsection (a-5) (2) of Section 15-1703. An
15 occupant who has received a request shall provide the holder or
16 purchaser with a copy of any lease or rental agreement, or make
17 such lease or rental agreement available for duplication to the
18 holder or purchaser, within 14 days of receiving the request.
19 In the event that there is no written lease or rental
20 agreement, or if the occupant cannot produce such agreement,
21 the occupant may provide a statement, verbally or in writing,
22 about the terms of his or her possession of the unit, including
23 the term of the tenancy, the amount of periodic rental
24 payments, if any, and when rent is due. An occupant shall not
25 unreasonably withhold information requested by a holder or
26 purchaser under this subsection. A holder or purchaser shall

1 include the following in a request under this subsection: (1)
2 the specific information or documentation requested; (2) a
3 mailing address, an electronic mail address if available, and a
4 telephone number for responses to the request; (3) that the
5 occupant shall respond within 14 days of receiving the request.
6 The request under this subsection shall be served in the same
7 manner described in subsection (c) of this Section, and may be
8 served concurrently with the notice required under subsection
9 (a)(2) of this Section. An occupant's failure to comply with
10 the requirements of this subsection shall create the rebuttable
11 presumption, in a proceeding under Section 15-1701(h)(1), that
12 the term of the occupant's current leasehold interest is not
13 more than 30 days.

14 (g) Within 14 days of the confirmation of sale under
15 Section 15-1508, the holder or purchaser shall post a written
16 notice on the primary entrance of each dwelling unit subject to
17 the foreclosure action. This notice shall:

18 (1) inform the occupant that the dwelling unit is the
19 subject of a foreclosure action and that control of the
20 mortgaged real estate has changed;

21 (2) include the following language: "This is NOT a
22 notice to vacate the premises."; and

23 (3) provide the name, address, and telephone number of
24 the individual or entity whom occupants may contact with
25 concerns about the mortgaged real estate or to request
26 repairs of the property.

1 (h) In the event that the holder or purchaser is a
2 mortgagee in possession of the mortgaged real estate pursuant
3 to Section 15-1703 at the time of the confirmation of sale and
4 has complied with requirements of subsection (a-5) of Section
5 15-1703, the holder or purchaser is excused from the
6 requirements of subsections (a) and (g) of this Section
7 15-1508.5.

8 (735 ILCS 5/15-1701) (from Ch. 110, par. 15-1701)

9 Sec. 15-1701. Right to possession.

10 (a) General. The provisions of this Article shall govern
11 the right to possession of the mortgaged real estate during
12 foreclosure. Possession under this Article includes physical
13 possession of the mortgaged real estate to the same extent to
14 which the mortgagor, absent the foreclosure, would have been
15 entitled to physical possession. For the purposes of Part 17,
16 real estate is residential real estate only if it is
17 residential real estate at the time the foreclosure is
18 commenced.

19 (b) Pre-Judgment. Prior to the entry of a judgment of
20 foreclosure:

21 (1) In the case of residential real estate, the
22 mortgagor shall be entitled to possession of the real
23 estate except if (i) the mortgagee shall object and show
24 good cause, (ii) the mortgagee is so authorized by the
25 terms of the mortgage or other written instrument, and

1 (iii) the court is satisfied that there is a reasonable
2 probability that the mortgagee will prevail on a final
3 hearing of the cause, the court shall upon request place
4 the mortgagee in possession. If the residential real estate
5 consists of more than one dwelling unit, then for the
6 purpose of this Part residential real estate shall mean
7 only that dwelling unit or units occupied by persons
8 described in clauses (i), (ii) and (iii) of Section
9 15-1219.

10 (2) In all other cases, if (i) the mortgagee is so
11 authorized by the terms of the mortgage or other written
12 instrument, and (ii) the court is satisfied that there is a
13 reasonable probability that the mortgagee will prevail on a
14 final hearing of the cause, the mortgagee shall upon
15 request be placed in possession of the real estate, except
16 that if the mortgagor shall object and show good cause, the
17 court shall allow the mortgagor to remain in possession.

18 (c) Judgment Through 30 Days After Sale Confirmation. After
19 the entry of a judgment of foreclosure and through the 30th day
20 after a foreclosure sale is confirmed:

21 (1) Subsection (b) of Section 15-1701 shall be
22 applicable, regardless of the provisions of the mortgage or
23 other instrument, except that after a sale pursuant to the
24 judgment the holder of the certificate of sale (or, if
25 none, the purchaser at the sale) shall have the mortgagee's
26 right to be placed in possession, with all rights and

1 duties of a mortgagee in possession under this Article.

2 (2) Notwithstanding paragraph (1) of subsection (b)
3 and paragraph (1) of subsection (c) of Section 15-1701,
4 upon request of the mortgagee, a mortgagor of residential
5 real estate shall not be allowed to remain in possession
6 between the expiration of the redemption period and through
7 the 30th day after sale confirmation unless (i) the
8 mortgagor pays to the mortgagee or such holder or
9 purchaser, whichever is applicable, monthly the lesser of
10 the interest due under the mortgage calculated at the
11 mortgage rate of interest applicable as if no default had
12 occurred or the fair rental value of the real estate, or
13 (ii) the mortgagor otherwise shows good cause. Any amounts
14 paid by the mortgagor pursuant to this subsection shall be
15 credited against the amounts due from the mortgagor.

16 (d) After 30 Days After Sale Confirmation. The holder of
17 the certificate of sale or deed issued pursuant to that
18 certificate or, if no certificate or deed was issued, the
19 purchaser, except to the extent the holder or purchaser may
20 consent otherwise, shall be entitled to possession of the
21 mortgaged real estate, as of the date 30 days after the order
22 confirming the sale is entered, against those parties to the
23 foreclosure whose interests the court has ordered terminated,
24 without further notice to any party, further order of the
25 court, or resort to proceedings under any other statute other
26 than this Article. This right to possession shall be limited by

1 the provisions governing entering and enforcing orders of
2 possession under subsection (g) of Section 15-1508. If the
3 holder or purchaser determines that there are occupants of the
4 mortgaged real estate who have not been made parties to the
5 foreclosure and had their interests terminated therein, the
6 holder or purchaser may bring a proceeding under subsection (h)
7 of this Section or under Article 9 of this Code to terminate
8 the rights of possession of any such occupants. The holder or
9 purchaser shall not be entitled to proceed against any such
10 occupant under Article 9 of this Code until after 30 days after
11 the order confirming the sale is entered. Following the
12 confirmation of sale and until the right of possession of an
13 occupant of a dwelling unit of the mortgaged real estate has
14 been terminated, the holder or purchaser shall: (i) maintain
15 any essential utility services that had been the obligation of
16 the mortgagor, receiver, or mortgagee in possession prior to
17 the order confirming sale; (ii) maintain the mortgaged real
18 estate in the same physical condition as had been the
19 obligation of the mortgagor, receiver, or mortgagee in
20 possession prior to the confirmation of sale; and (iii)
21 maintain the mortgaged real estate in compliance with the
22 requirements of State and local law. Nothing in this subsection
23 shall prohibit the holder or purchaser and an occupant from
24 entering into a new lease agreement that changes their
25 respective utility obligations.

26 (e) Termination of Leases. A lease of all or any part of

1 the mortgaged real estate shall not be terminated automatically
2 solely by virtue of the entry into possession by (i) a
3 mortgagee or receiver prior to the entry of an order confirming
4 the sale, (ii) the holder of the certificate of sale, (iii) the
5 holder of the deed issued pursuant to that certificate, or (iv)
6 if no certificate or deed was issued, the purchaser at the
7 sale.

8 (f) Other Statutes; Instruments. The provisions of this
9 Article providing for possession of mortgaged real estate shall
10 supersede any other inconsistent statutory provisions. In
11 particular, and without limitation, whenever a receiver is
12 sought to be appointed in any action in which a foreclosure is
13 also pending, a receiver shall be appointed only in accordance
14 with this Article. Except as may be authorized by this Article,
15 no mortgage or other instrument may modify or supersede the
16 provisions of this Article.

17 (g) Certain Leases. Leases of the mortgaged real estate
18 entered into by a mortgagee in possession or a receiver and
19 approved by the court in a foreclosure shall be binding on all
20 parties, including the mortgagor after redemption, the
21 purchaser at a sale pursuant to a judgment of foreclosure and
22 any person acquiring an interest in the mortgaged real estate
23 after entry of a judgment of foreclosure in accordance with
24 Sections 15-1402 and 15-1403.

25 (h) Proceedings Against Certain Occupants.

26 (1) The mortgagee-in-possession of the mortgaged real

1 estate under Section 15-1703, a receiver appointed under
2 Section 15-1704, a holder of the certificate of sale or
3 deed, or the purchaser may, at any time during the pendency
4 of the foreclosure and up to 90 days after the date of the
5 order confirming the sale, file a supplemental petition for
6 possession against a person not personally named as a party
7 to the foreclosure. The supplemental petition for
8 possession shall name each such occupant against whom
9 possession is sought and state the facts upon which the
10 claim for relief is premised.

11 (2) The petitioner shall serve upon each named occupant
12 the petition, a notice of hearing on the petition, and, if
13 any, a copy of the certificate of sale or deed. The
14 proceeding for the termination of such occupant's
15 possessory interest, including service of the notice of the
16 hearing and the petition, shall in all respects comport
17 with the requirements of Article 9 of this Code, except as
18 otherwise specified in this Section. The hearing shall be
19 no less than 21 days from the date of service of the
20 notice.

21 (3) The supplemental petition shall be heard as part of
22 the foreclosure proceeding and without the payment of
23 additional filing fees. An order for possession obtained
24 under this Section shall name each occupant whose interest
25 has been terminated, shall recite that it is only effective
26 as to the occupant so named and those holding under them,

1 and shall be enforceable for no more than 90 days after its
2 entry, except that the 90-day period may be extended to the
3 extent and in the manner provided in Section 9-117 of
4 Article 9 and except as provided in item (4) of this
5 subsection (h).

6 (4) In a case of foreclosure where the occupant ~~tenant~~
7 is current on his or her rent, or where timely written
8 notice of to whom and where the rent is to be paid has not
9 been provided to the occupant ~~tenant~~, or where the occupant
10 ~~tenant~~ has made good-faith efforts to make rental payments
11 in order to keep current, any order of possession must
12 allow the occupant ~~tenant~~ to retain possession of the
13 property covered in his or her rental agreement ~~(i)~~ for 120
14 days following the notice of the hearing on the
15 supplemental petition that has been properly served upon
16 the occupant, or through the duration of his or her lease,
17 whichever is shorter, but in no event less than 30 days
18 after entry of the order of possession. A mortgagee in
19 possession, receiver, or holder of a certificate of sale or
20 deed, or purchaser at the judicial sale who asserts that
21 the occupant is not current in rent at the time the
22 supplemental petition is filed shall attach an affidavit to
23 that effect to the supplemental petition. If the occupant
24 ~~the tenant, or (ii) through the duration of his or her~~
25 ~~lease, whichever is shorter. If the tenant~~ has been given
26 timely written notice of to whom and where the rent is to

1 be paid, this item (4) shall only apply if the occupant
2 ~~tenant~~ continues to pay his or her rent in full during the
3 120-day period or has made good-faith efforts to pay the
4 rent in full during that period. No
5 mortgagee-in-possession, receiver or holder of a
6 certificate of sale or deed, or purchaser who fails to file
7 a supplemental petition under this subsection during the
8 pendency of a mortgage foreclosure shall file a forcible
9 entry and detainer action against an occupant ~~a tenant~~ of
10 the mortgaged real estate until 90 days after a notice of
11 intent to file such action has been properly served upon
12 the occupant ~~tenant~~.

13 (5) The court records relating to a supplemental
14 petition for possession filed under this subsection (h)
15 against a tenant who is entitled to notice under item (4)
16 of this subsection (h), or relating to a forcible entry and
17 detainer action brought against a tenant who would have
18 lawful possession of the premises but for the foreclosure
19 of a mortgage on the property, shall be ordered sealed and
20 shall not be disclosed to any person, other than a law
21 enforcement officer or any other representative of a
22 governmental entity, except upon further order of the
23 court.

24 (Source: P.A. 95-262, eff. 1-1-08; 95-933, eff. 8-26-08.)

25 (735 ILCS 5/15-1703) (from Ch. 110, par. 15-1703)

1 Sec. 15-1703. Mortgagee in Possession. (a) Powers and
2 Duties. A mortgagee placed in possession of the real estate
3 pursuant to Section 15-1701 or Section 15-1702 shall have:

4 (1) such power and authority with respect to the real
5 estate and other property subject to the mortgage, including
6 the right to receive the rents, issues and profits thereof, as
7 may have been conferred upon the mortgagee by the terms of the
8 mortgage or other written instrument authorizing the taking of
9 possession;

10 (2) all other rights and privileges of a mortgagee in
11 possession under law not inconsistent herewith; and

12 (3) the same powers, duties and liabilities as a receiver
13 appointed for the real estate in accordance with this Article.
14 If an order placing a mortgagee in possession is modified,
15 revoked or set aside, the mortgagee shall not be liable for any
16 damages to the extent such damages arise solely out of the fact
17 that the mortgagor was removed from possession or that the
18 mortgagee was placed in possession.

19 (a-5) Notice to occupants.

20 (1) Within 14 days of taking possession of the
21 mortgaged real estate, the mortgagee in possession shall
22 make a good faith effort to ascertain the identities and
23 addresses of all occupants of dwelling units of the
24 mortgaged real estate.

25 (2) Within 21 days of taking possession of the
26 mortgaged real estate, the mortgagee in possession shall

1 notify all known occupants of dwelling units of the
2 mortgaged real estate, including any occupants identified
3 as a result of the good faith effort required under this
4 subsection, that he or she has taken possession of the
5 mortgaged real estate. The notice shall be in writing and
6 shall:

7 (i) identify the occupant being served by name;

8 (ii) inform the occupant that the mortgaged real
9 estate is the subject of a foreclosure action and that
10 control of the mortgaged real estate has changed;

11 (iii) provide the name, address, and telephone
12 number of the individual or entity whom occupants may
13 contact with concerns about the mortgaged real estate
14 or to request repairs of that property;

15 (iv) include the following language, or language
16 that is substantially similar:

17 "This is NOT a notice to vacate the premises. You
18 will receive additional notice if your lease or rental
19 agreement is being terminated. You may wish to contact
20 a lawyer or your local legal aid or housing counseling
21 agency to discuss any rights that you may have."

22 (v) attach a copy of the court order placing the
23 mortgagee in possession of the mortgaged real estate.

24 (3) The written notice required by item (2) of this
25 subsection (a-5) shall be served: by delivering a copy
26 thereof to the known occupant, or by leaving the same with

1 some person of the age of 13 years or older, who is
2 residing on or in possession of the premises; or by sending
3 a copy of the notice to the known occupant by first-class
4 mail, addressed to the occupant by name.

5 (4) In the event that a mortgagee in possession
6 ascertains the identity and address of an occupant of a
7 dwelling unit of the mortgaged real estate more than 14
8 days after taking possession of the mortgaged real estate,
9 the mortgagee in possession shall provide the notice
10 required by subsection (a-5)(2) within 7 days of
11 ascertaining the identity and address of the occupant.

12 (5)(i) A mortgagee in possession who fails to comply
13 with items (2), (3), and (4) of this subsection (a-5) may
14 not collect any rent due and owing from a known occupant,
15 or terminate a known occupant's tenancy for non-payment of
16 such rent, until the mortgagee in possession has served the
17 notice described in item (2) of this subsection (a-5) upon
18 the occupant. The provisions of this subsection shall be
19 the exclusive remedy for the failure of a mortgagee in
20 possession to provide notice under this Section.

21 (ii) An occupant who previously paid rent for the
22 current rental period to the mortgagor, or other entity
23 with the authority to operate, manage, and conserve the
24 mortgaged real estate at the time of payment, shall not be
25 held liable for that rent by the mortgagee in possession,
26 and the occupant's tenancy shall not be terminated for

1 non-payment of rent for that rental period.

2 (6) Within 14 days of the order allowing the mortgagee
3 to take possession of the mortgaged real estate, the
4 mortgagee in possession shall post a written notice on the
5 primary entrance of each dwelling unit subject to the
6 foreclosure action that informs the occupants that the
7 mortgagee in possession is now operating and managing the
8 mortgaged real estate. This written notice shall: (i)
9 inform the occupant that the dwelling unit is the subject
10 of a foreclosure action and that control of the mortgaged
11 real estate has changed; (ii) include the following
12 language: "This is NOT a notice to vacate the premises.";
13 and (iii) provide the name, address, and telephone number
14 of the individual or entity whom occupants may contact with
15 concerns about the mortgaged real estate or to request
16 repairs of the property.

17 (b) Fees and Expenses. A mortgagee in possession shall not
18 be entitled to any fees for so acting, but shall be entitled to
19 reimbursement for reasonable costs, expenses and third party
20 management fees incurred in connection with such possession.

21 (Source: P.A. 84-1462.)

22 (735 ILCS 5/15-1704) (from Ch. 110, par. 15-1704)

23 Sec. 15-1704. Receivers. (a) Receiver. Notwithstanding the
24 provisions of subsections (b), (c) and (d) of Section 15-1701,
25 and except as provided in Section 15-1702, upon request of any

1 party and a showing of good cause, the court shall appoint a
2 receiver for the mortgaged real estate.

3 (b) Powers. A receiver appointed pursuant to this Article
4 shall have possession of the mortgaged real estate and other
5 property subject to the mortgage during the foreclosure, shall
6 have full power and authority to operate, manage and conserve
7 such property, and shall have all the usual powers of receivers
8 in like cases. Without limiting the foregoing, a receiver shall
9 have the power and authority to:

10 (1) secure tenants and execute leases for the real estate,
11 the duration and terms of which are reasonable and customary
12 for the type of use involved, and such leases shall have the
13 same priority as if made by the owner of the real estate; but,
14 unless approved by the Court, the receiver shall not execute
15 oil, gas or other mineral leases, or (even if otherwise allowed
16 by law) leases extending beyond the time of the receiver's
17 possession; provided, however, with respect to residential
18 real estate leased by the receiver, nothing in this Section
19 shall affect the legal rights of any lessee with respect to the
20 safety and habitability of the residential real estate;

21 (2) collect the rents, issues and profits from the
22 mortgaged real estate;

23 (3) insure the mortgaged real estate against loss by fire
24 or other casualty;

25 (4) employ counsel, custodians, janitors and other help;
26 and

1 (5) pay taxes which may have been or may be levied against
2 the mortgaged real estate.

3 (c) Duties. A receiver appointed pursuant to this Article
4 must manage the mortgaged real estate as would a prudent
5 person, taking into account the effect of the receiver's
6 management on the interest of the mortgagor. A receiver may,
7 without an order of the court, delegate managerial functions to
8 a person in the business of managing real estate of the kind
9 involved who is financially responsible, not related to the
10 mortgagee or receiver and prudently selected. However, the
11 receiver shall remain responsible to the mortgagor or other
12 persons for the acts or omissions of such management agent.
13 When fees are paid to such a management agent, the receiver's
14 fees may be adjusted to the extent the court deems appropriate.
15 In managing the mortgaged real estate and other property
16 subject to the mortgage, a receiver or receiver's delegate, to
17 the extent the receiver receives sufficient receipts from the
18 mortgaged real estate, such other property or other sources,
19 except to the extent ordered otherwise by the court:

20 (1) shall maintain the existing casualty and liability
21 insurance required in accordance with the mortgage or
22 applicable to the real estate and other property subject to the
23 mortgage at the time the receiver took possession;

24 (2) shall use reasonable efforts to maintain the real
25 estate and other property subject to the mortgage in at least
26 as good condition as existed at the time the receiver took

1 possession, excepting reasonable wear and tear and damage by
2 any casualty;

3 (3) shall: (i) maintain any essential utility services that
4 had been the obligation of the mortgagor prior to an order
5 appointing a receiver or allowing the mortgagee to take
6 possession of the mortgaged real estate; (ii) maintain the
7 mortgaged real estate in the same physical condition as had
8 been the obligation of the mortgagor prior to an order
9 appointing a receiver or allowing the mortgagee to take
10 possession of the mortgaged real estate; and (iii) maintain the
11 mortgaged real estate in compliance with the requirements of
12 State and local law;

13 (4) shall accept all rental payments from an occupant of
14 the mortgaged property and any payments from a third party or
15 any rental assistance program in support of an occupant's
16 housing;

17 (5) ~~(3)~~ shall apply receipts to payment of ordinary
18 operating expenses, including royalties, rents and other
19 expenses of management;

20 (6) ~~(4)~~ shall pay any shared or common expense assessments
21 due to any association of owners of interests in real estate to
22 the extent that such assessments are or may become a lien
23 against the mortgaged real estate;

24 (7) ~~(5)~~ may pay the amounts due under any mortgage if the
25 mortgagee thereof is not a party in the foreclosure;

26 (8) ~~(6)~~ may carry such additional casualty and liability

1 insurance as is reasonably available and reasonable as to
2 amounts and risks covered;

3 (9) ~~(7)~~ may make other repairs and improvements necessary
4 to comply with building, housing, and other similar codes or
5 with existing contractual obligations affecting the mortgaged
6 real estate;

7 (10) ~~(8)~~ may hold receipts as reserves reasonably required
8 for the foregoing purposes; and

9 (11) ~~(9)~~ may take such other actions as may be reasonably
10 necessary to conserve the mortgaged real estate and other
11 property subject to the mortgage, or as otherwise authorized by
12 the court.

13 (d) Allocation of Receipts. Receipts received from
14 operation of the real estate and other property subject to the
15 mortgage by the receiver shall be applied in the following
16 order of priority.

17 (1) to reimbursement of the receiver for all reasonable
18 costs and expenses incurred by the receiver or the receiver's
19 delegates;

20 (2) to payment of insurance premiums authorized in
21 paragraph (1) of subsection (c) of Section 15-1704;

22 (3) to payment of the receiver's delegates of any
23 reasonable management fees for managing real estate of the type
24 involved;

25 (4) to payment of receiver's fees allowed by the court;

26 (5) to payment of expenses authorized in paragraphs (2),

1 (3), (5), and (6) ~~(4)~~ of subsection (c) of Section 15-1704;

2 (6) to payment of amounts authorized in paragraph (7) ~~(5)~~
3 of subsection (c) of Section 15-1704;

4 (7) to payment of expenses authorized in paragraphs (8) ~~(6)~~
5 and (9) ~~(7)~~ of subsection (c) of Section 15-1704; and

6 (8) the balance, if any, shall be held or disbursed as
7 ordered by the court.

8 (e) Non-Liability for Allocations. A receiver shall in no
9 event be liable to any person for the allocation of, or failure
10 to allocate, receipts to possible expenditures within the same
11 priority category.

12 (f) Notice to Occupants.

13 (1) Within 14 days of appointment, the receiver shall
14 make a good faith effort to ascertain the identities and
15 addresses of the mortgaged real estate.

16 (2) Within 21 days of appointment, the receiver shall
17 notify all occupants of dwelling units of the mortgaged
18 real estate that he or she has been appointed receiver of
19 the mortgaged real estate, including any occupants
20 identified as a result of the good faith effort under this
21 subsection. Such notice shall be in writing and shall:

22 (i) identify the occupant being served by name;

23 (ii) inform the occupant that the mortgaged real
24 estate is the subject of a foreclosure action and that
25 control of the mortgaged real estate has changed;

26 (iii) provide the name, address, and telephone

1 number of the individual or entity whom occupants may
2 contact with concerns about the mortgaged real estate
3 or to request repairs of that property;

4 (iv) include the following language, or language
5 that is substantially similar:

6 "This is NOT a notice to vacate the premises. You
7 will receive additional notice if your lease or rental
8 agreement is being terminated. You may wish to contact
9 a lawyer or your local legal aid or housing counseling
10 agency to discuss any rights that you may have."

11 (v) attach a copy of the order appointing the
12 receiver as receiver for the mortgaged real estate.

13 (3) The notice required by item (2) of this subsection
14 (f) shall be served: by delivering a written or printed, or
15 partly written and printed, copy thereof to the known
16 occupant, or by leaving the same with some person of the
17 age of 13 years or older, residing on or in possession of
18 the premises; or by sending a copy of the notice to the
19 known occupant by first-class mail, addressed to the
20 occupant by name.

21 (4) In the event that a receiver ascertains the
22 identity and address of an occupant of a dwelling unit of
23 the mortgaged real estate more than 14 days after
24 appointment, the receiver shall provide the notice
25 required by part (2) of this subsection (f) within 7 days
26 of ascertaining the identity and address of the occupant.

1 (5) (i) A receiver who fails to comply with items (2),
2 (3), and (4) of this subsection (f) may not collect any
3 rent due and owing from a known occupant, or terminate a
4 known occupant's tenancy for non-payment of such rent,
5 until the receiver has served the notice described in item
6 (2) of this subsection (f) upon the occupant. The
7 provisions of this subsection shall be the exclusive remedy
8 for the failure of a receiver to provide notice under this
9 Section.

10 (ii) An occupant who previously paid rent for the
11 current rental period to the mortgagor, or other entity
12 with the authority to operate, manage, and conserve the
13 mortgaged real estate at the time of payment, shall not be
14 held liable for that rent by the receiver, and the
15 occupant's tenancy shall not be terminated for non-payment
16 of rent for that rental period.

17 (6) Within 14 days of appointment, the receiver shall
18 post a written notice on the primary entrance of all
19 dwelling units subject to the foreclosure action that
20 informs occupants that the receiver has been appointed to
21 operate and manage the property. This written notice shall:
22 (i) inform the occupant that the dwelling unit is the
23 subject of a foreclosure action and that control of the
24 mortgaged real estate has changed; (ii) include the
25 following language: "This is NOT a notice to vacate the
26 premises."; and (iii) provide the name, address, and

1 telephone number of the individual or entity whom occupants
2 may contact with concerns about the mortgaged real estate
3 or to request repairs of the property.

4 (g) Increase of rents. Notwithstanding any other provision
5 of this Article, a receiver shall not charge an occupant of the
6 mortgaged real estate a rental amount greater than that which
7 the occupant had been paying for use and occupancy of the
8 mortgaged real estate prior to the appointment of a receiver,
9 without leave of court or an agreement with the occupant about
10 the increased rent. The court may allow an increase of rent if,
11 upon motion by the receiver, the court finds by a preponderance
12 of the evidence, that the increase of rent is necessary to
13 operate, manage, and conserve the mortgaged real estate
14 pursuant to this Section. A list of the current rents for each
15 unit in the mortgaged real estate, and a list of the proposed
16 rent increase for each of those units, must be attached to a
17 motion for a rent increase under this subsection (g). All
18 occupants of the mortgaged real estate who may be affected by
19 the motion for a rent increase, if not otherwise entitled to
20 notice, shall be notified in writing of the nature of the
21 motion, the date and time of the motion, and the court where
22 the motion will be heard. Such notice shall be by personal
23 service or first-class mail. Nothing in this subsection (g)
24 shall alter the terms of any lease agreement.

25 (h) ~~(f)~~ Removal. The court may remove a receiver upon a
26 showing of good cause, in which case a new receiver may be

1 appointed in accordance with subsection (b) of Section 15-1702
2 and subsection (a) of Section 15-1704.

3 (Source: P.A. 84-1462.)

4 Section 98. In a foreclosure action filed on or before the
5 effective date of this Act, a holder or purchaser, receiver, or
6 mortgagee in possession required to serve notice or otherwise
7 comply with Section 15-1508.5, Section 15-1703(a-5), and
8 Section 15-1704(f) shall have an additional 60 days to comply
9 with the provisions of this Act.

10 Section 99. Effective date. This Act takes effect 90 days
11 after becoming law.